

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

DOCKET NO. 90-0905-0007

RE: Application of Oxy USA, Inc. for Forced Pooling of Interests in a Drilling Unit Affected by Well Number B-25, VGOB 95-7, in the Garden Magisterial District of Buchanan County, Virginia

REPORT OF THE BOARD

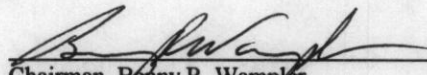
NOTICE OF EXPIRATION/TERMINATION OF VIRGINIA GAS AND OIL BOARD (herein "Board") ORDER IN THE ABOVE STYLED CAUSE FOR THE POOLING OF INTERESTS IN OAKWOOD COALBED METHANE GAS FIELD DRILLING UNIT NO. B-25 LOCATED, PATTERSON QUADRANGLE, GARDEN MAGISTERIAL DISTRICT, BUCHANAN COUNTY, VIRGINIA (the "Subject Lands" are more particularly described on Exhibit 'A', attached hereto and made a part hereof.

1. This Notice of Expiration/Termination is entered by the Board after hearing upon its own motion for the purpose of providing notice that the Pooling Order in the above-styled cause which is more particularly set forth and described in Paragraph 2(a) hereof expired and became terminated by its own terms on October 17, 1991, except for any cash sums becoming payable thereunder.
2. **Findings:** The Board finds that:
 - (a) In the above styled cause, the Board entered its order on October 17, 1990 (herein "Pooling Order") for the pooling of an 80-acre coalbed methane gas drilling unit known as the Oakwood Coalbed Methane Gas Field Drilling Unit No. B-25 which Drilling Unit is set forth and described in the plat attached hereto as Exhibit A (herein "Drilling Unit") The Pooling Order was recorded with the Clerk of the Circuit Court of Buchanan County, Virginia on October 26, 1990 in Deed Book 366 at Page 449.
 - (b) Pursuant to the Pooling Order, if any payment of bonus, royalty or other payment due and owing under the Pooling Order could not be made because of conflicting claims of ownership, defects or clouds on the title and/or because the person was unknown or could not be located, then such cash bonus, royalty or other payment was to be deposited by Oxy USA, Inc., the designated unit operator, into an escrow account and held for the benefit of claimants.
 - (c) Pursuant to Paragraph 10 of the Pooling Order, if the Unit Operator did not commence or cause operations of the Drilling Unit and Well to be commenced within 365 days from the date of the Pooling Order, i.e., October 17, 1991, then the provisions of the Pooling Order were to be inoperative and the Pooling Order would terminate, by its own terms, except for any cash sums becoming payable thereunder unless the time of commencement of such operations was extended by further order of the Board.
 - (d) The Unit Operator did not request nor did the Board order an extension of the Termination Date. The Unit Operator has not as of the date hereof commenced operations for the drilling the Well; therefore, on October 17, 1991 the Pooling Order terminated by its own terms, except for any cash sums which became due thereunder.
3. **Order:** By this Order which is to be recorded with the Clerk of the Circuit Court of Buchanan County, Virginia, the Board:
 - (a) gives notice that the Pooling Order and Supplemental Order expired and terminated by its own terms on October 17, 1991, except for any sums becoming payable thereunder.
 - (b) instructs the Escrow Agent named herein or any successor named by the Board to establish an interest-bearing escrow account (herein "Escrow Account") to receive and account to the Board pursuant to its agreement for the escrowed funds hereafter described.

Tazewell National Bank
 Trust Department
 c/o Premier Bankshares Corporation
 29 College Drive, P. O. Box 1199
 Bluefield, VA 24605-1199
 Telephone: (540) 322-2242
 Fax: (540) 322-2766

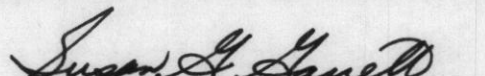
- (c) orders that any payment of bonus or other payment due and owing under the Pooling Order which could not be made because the person entitled thereto could not be made certain due to conflicting claims of ownership and/or a defect or cloud on the title, or because such person could not be located or was unknown, together with any Participating Operator's Proportionate Costs paid to the Unit Operator pursuant to the Pooling Order, if any, be deposited by the Unit Operator with the Escrow Agent within thirty (30) days from the date hereof for the exclusive use of, and sole benefit of the persons entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board in accordance with Va. Code 45.1-361.21.D.
4. **Mailing of Order:** The Unit Operator under the captioned order or its Attorney shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed within seven (7) days from the date of receipt of this Order to each person whose interest or claim was pooled by the Pooling Order and whose interest or claim was subject to escrow whose address is known.
5. **Conclusion:** Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

Done and executed this 23rd day of October, 1997, by the Chairman of the Virginia Gas and Oil Board.


 Chairman, Benny R. Wampler

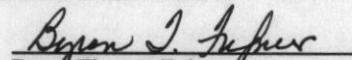
STATE OF VIRGINIA)
 COUNTY OF WISE)

Acknowledged on this 23rd day of October, 1997, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


 Susan G. Garrett
 Notary Public

My Commission expires 7/31/98

Done and performed this 23rd day of October, 1997 by Order of this Board.


 Byron Thomas Fulmer
 Principal Executive to the Staff
 Of the Virginia Gas and Oil Board

STATE OF VIRGINIA
COUNTY OF WASHINGTON

Acknowledged on this 23rd day of October, 1997, personally appeared before me a notary public in and for the Commonwealth of Virginia, appeared Byron Thomas Fulmer, being duly sworn did depose and say that he is Principal Executive to the staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

Diane G. Davis
Diane Davis
Notary Public

My Commission expires 09/30/2001

BOOK 366 PAGE 469 Latitude 37° 17' 30" BOOK 469 PAGE 586

BEARING BASIS:
ISLAND CRK. COAL CO.
COORDINATE SYSTEM

KROLL HEIRS ESTATE
(ADVERSE)
(3.31%-2.65ac)

SLOCUM LAND CO.
(16.94%-13.53ac)
COAL LESSEES:
ISLAND CRK. COAL CO.
JEWELL SMOKELESS COAL CORP.

BIG VEIN TR.-71 (3.28%-2.80ac)
(FEE)
(COAL, OIL, & GAS)

C.L. RITTER TR. 17
(COAL, OIL, & GAS)
(140.68%-32.94ac)

C.L. RITTER TR. 18
(COAL, OIL, & GAS)
(128.42%-22.74ac)

SURFACE OWNER:
JOETTA L. MATNEY

COAL LESSEES:
ISLAND CRK. COAL CO.
JEWELL SMOKELESS COAL CORP.

JOETTA MATNEY
(FEE)

COAL LESSEES:
ISLAND CRK. COAL CO.
JEWELL SMOKELESS COAL CORP.

WELL BORED ON JOETTA L. MATNEY

CBM-B25 WELL LOCATION
WELL COORDINATES
N 87.527.01
E 33.86516

SURFACE OWNER:
RUTH DAWSON CARROLL

COAL LESSEES:
ISLAND CRK. COAL CO.
JEWELL SMOKELESS COAL CORP.

C.L. RITTER TR. 19
(COAL, OIL, & GAS)
(10.94%-0.77ac)

SURFACE OWNER:
WALTER L. MATNEY & RUFUS S. MATNEY

(5.81%-4.40ac)
C.L. RITTER TR. 60
(COAL, OIL, & GAS)
COAL LESSEES:
ISLAND CRK. COAL CO.
JEWELL SMOKELESS COAL CORP.

COAL RED METHANE LESSEE: OXY USA INC.

LEROY CRENSHAW MINERAL
(COAL, OIL, & GAS)
COAL LESSEE: ISLAND CRK. COAL CO.

COMPANY OXY USA INC.
ADDRESS DRAWER Q, RICHLANDS, VA 21641
WELL NAME CBM-B25
FARM JOETTA L. MATNEY TRACT C.L. RITTER - 18
LEASE NO. 2320.68' ELEVATION 2320.68'
ACRES 24.25 QUADRANGLE PATTERSON
COUNTY BUCHANAN DISTRICT GARDEN
REG. ENGINEER VA REG. NO. 2987
CERT. LAND SURVEYOR CERT NO.
FILE NO. DRAWING NO.
DATE 5-16-90 SCALE 1" = 400'

This plot is ☒ new ☐ updated
This plot ☒ is not based on a mine
coordinate system established for the areas
of the well location.

WELL LOCATION MAP
WELL NO. CBM-B25
Denotes location of well on United States
Topographic Maps, scale 1 to 24,000, lat-
itude and longitude lines being represented
by border lines as shown.

CERTIFICATION OF WELL PLAT
I, the undersigned, hereby certify that
this plot is correct to the best of my
knowledge and belief, and I have provided the
information required by law and the regulations
of the Well Review Board.

WELSON E. LIGHT
Registered Engineer or Certified
Land Surveyor in Charge 2687

FORM 5

EXHIBIT A

VIRGINIA. In the Clerk's Office of the Circuit Court of Buchanan County. The foregoing instrument was this day presented in the office aforesaid and is, together with the certificate of acknowledgment annexed, admitted to record this 26TH day of OCTOBER, 1990 10:30 A.M.
Deed Book No. 366 and Page No. 449.

TESTE: Russell V. Presley Clerk

VIRGINIA: In the Clerk's Office of the Circuit Court of Buchanan County. The foregoing instrument was this day presented in the office aforesaid and is, together with the certificate of acknowledgment annexed, admitted to record this 30th day of October, 1997 2:21 P.M.
Deed Book No. 469 and Page No. 583 TESTE: James M. Beyins, Jr., Clerk
Returned this date to: Dept of Mines TESTE: Patricia L. Ingle Deputy Clerk